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U.S. attorney asked to quit, sources say

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Although the Justice Department officially refuses to comment, five sources within the department say William Kennedy, U.S. attorney in San Diego, has been asked to resign to avoid further public embarrassment over his comments about the identity of a CIA informant in Mexico.

Kennedy was summoned to Washington on Monday, and received a private dressing-down by top Justice Department officials for confirming published reports that the department has blocked indictment of the CIA informant, Miguel Nassar Haro, former head of Mexico's federal security agency.

Kennedy met twice with Justice Department officials. All the Justice Department would say at the time was that the meetings took place.

A Justice Department spokesman today said there would be no comment "on any aspect of this Kennedy matter."

Kennedy could not be reached for comment today, but yesterday he said rumors that he had been asked to resign were unfounded.

"Mr. Kennedy is not taking any calls," his secretary said today.

But four Justice Department sources, all of whom insisted that

their names not be used, told Associated Press that resignation is now the probable outcome for Kennedy.

And a fifth source within the department said today that the others were correct in that position.

One of the four sources explained that the administration would face some difficulties in firing Kennedy because it might be read as an official U.S. government acknowledgement of the accuracy of his remarks.

As a presidential appointee, Kennedy could be fired only by Reagan. Kennedy, 50, was assistant district attorney in San Diego until Reagan nominated him for the top post last November.

Historically, intelligence officers have been even more sensitive to official confirmation of secrets than to leaks based on unidentified sources. They argue that official acknowledgements force foreign governments to react to developments they might otherwise be able to wink at.

Asked yesterday whether Kennedy would resign, one of the Justice Department sources said, "That's a very strong possibility." A third replied, "I wouldn't be surprised to see that."

And a fourth official said, "U.S. attorneys sometimes all of a sudden go into private practice. You can make a lot of money there."

Justice Department sources have said Kennedy's defense was

that he had not disclosed the identity of the informant himself, but only confirmed the accuracy of a published account.

Kennedy said last week he had recommended prosecution of Nassar last November for alleged involvement in a ring that stole \$8.4 million in cars in Southern California and smuggled them into Mexico.

Kennedy said the CIA had described Nassar as its "most important source in Mexico and Central America."

He continued: "I realize that must be factored in, but I'm concerned about the victims — car owners or the insurance companies that have paid off claims. We repeatedly have voiced the view that prosecution must proceed. No one has said these indictments cannot be returned, but it is still a matter of concern and debate in Washington."